

Model Portfolio Risk Level 6

September 2022

Information in this factsheet is at the last valuation point on 30th September 2022 (except where indicated).

Portfolio Overview

Objective: To provide a long-term total return above that of the UK Consumer Price Index (CPI) +3%

Investments: The portfolio will be actively managed and invest in multiple asset classes with a portfolio of collective investment schemes, commodity and property funds.

Strategy: The investment manager has the discretion to weight the portfolio towards any investment type, or geographical region, at any time provided it is compatible with the investment objective, risk parameters and policy of the portfolio as a whole.

Key Facts

| | |
|--------------------------------|--|
| Investment Managers | Chris Fernyhough John Mitchell Alex Young |
| Entry Fees | None |
| Exit Charge | None |
| Annual Management Charge (AMC) | 0.40% + VAT |
| OCF | 0.72% (In addition to AMC) |
| Performance Fee | None |

Portfolio Manager - Facet

Established in 1979, FACET Investment Management Limited is a provider of investment management services to both individuals and corporate clients. Our multi-asset class portfolios give exposure to a wide variety of opportunities and help to manage risk within portfolios. Historically Facet's model portfolios have consistently outperformed numerous established benchmarks and comparable indices.

Key Investment Managers

Chris Fernyhough - Chris has over 15 years' experience managing multi-asset portfolios. Prior to becoming Managing Director of FACET, Chris worked at WH Ireland establishing their Bristol office. He also worked at Newland in the wealth management division. He holds a distinction in the PCIAM exam and is a Chartered Wealth Manager as well as holding Chartered FCSI status with the CISI

John Richard Mitchell - John has a career spanning over 40 years in both equities and bonds. He managed risk at Credit Suisse before moving to Royal London where he implemented risk for their first geared fund. John was also involved in the founding of Newland Financial where he was the compliance director.

Alex Young - Alex has been in Financial Services with FACET for 20 years. He is a qualified IFA as well as holding IMC, a certificate in Discretionary Investment Management, a certificate in Securities Advice and Dealing and a diploma in Technical Analysis.

Risk Report

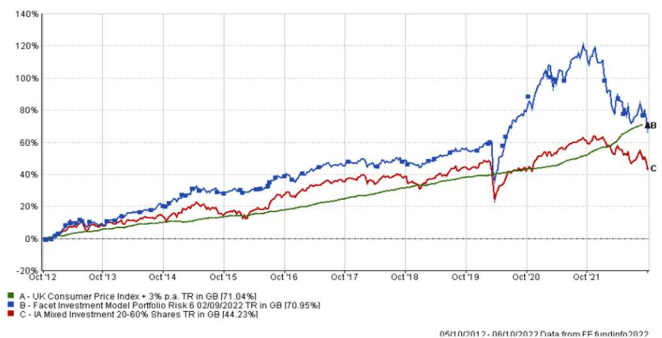


Lower risk
➔
 Higher risk

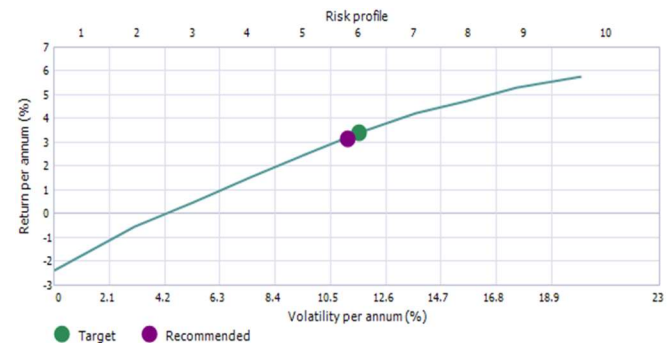
The indicator is based on historical data and may not be a reliable indication of the future risk profile. The lowest category does not mean 'risk free'

Facet Performance**

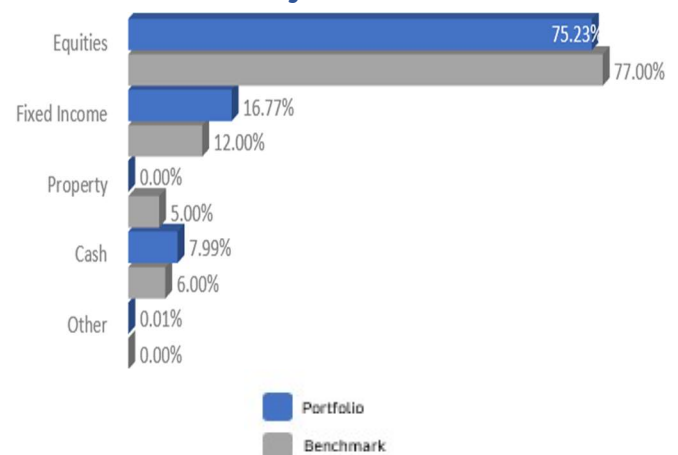
Pricing Spread: Bid-Bid • Data Frequency: Daily • Currency: Pounds Sterling



Efficient Frontier



Fund Breakdown by Asset Class



Top 5 Holdings

| Holding | % of Portfolio |
|--------------------------------|----------------|
| MI Chelverton UK Equity Growth | 11.5% |
| Slater Recovery | 11.5% |
| JPM US Select C Acc | 11% |
| M&G North American Value | 9% |
| Premier Miton European Opps | 5% |
| | 48% |

Portfolio Manager's Comments

Global stock markets woke up to the reality that the Federal Reserve was not for turning in its determination to keep raising interest rates in its battle against inflation. Their 0.75% hike took the US base rate up to 3.25% which impacted both stock and bond markets. The US index fell nearly 10% over the month although UK stocks held up better, falling just 5%. The relative strength of the UK stock market owed much to the direction of Sterling which fell 5 cents against the US dollar, ending the month at \$1.11. As has become a familiar pattern, the UK stock market index is laden with export-heavy companies with around 75% of their sales in international, and mostly US dollar dominated, markets. This means that Sterling weakness, although unwelcome in the Bank of England's own battle against inflation, is supportive of the profits of the UK's largest companies. It came as somewhat of a surprise, therefore, that the Bank of England followed the Federal Reserve with a modest hike to base rates of just 0.5%. Perhaps the BoE was hoping for a statistical year-on-year base effect for the annual inflation figure to start falling; after all, it was this time last year when inflation first started to rise. Unfortunately, their caution meant that the interest rate differential between the US dollar and Sterling yawned even larger at a time when the US dollar was strengthening against all major currencies. Even the 0.75% interest rate hike by the European Central Bank, didn't stop the euro weakening by a couple of cents from parity to 0.98. The consequent Sterling weakness also contributed to the 9.9% inflation figure for September which is also driving higher wage demands. The UK unemployment rate, at 3.6% in July is the lowest since 1974, and indicative of a very tight labour market. Wage data showed a rise of over 5% for non-government employees. This combination of embedded inflation, weak Sterling and wage demands presented a difficult challenge to the UK Chancellor of the Exchequer, Kwasi Kwarteng under the new premiership of Liz Truss. However, there is a sense that the global headwinds of inflation, energy price rises and geopolitical tensions are now fully priced into stock and bond markets. The policy response of central banks is now fully focused on stemming inflation into Q4. If successful, and barring any new setbacks, it is possible that long-term investors may be justified in seeking opportunities in oversold assets at the end of what has been a very challenging quarter.

Allocating our Strategic Asset Allocation for Property to Index Linked Gilts, should see our fund performance improve due to the increasing rate of inflation. We have continued to avoid property funds due to concerns of the liquidity in the property sector.

Throughout September markets have shown more weakness and our portfolio has reflected this. However, there have been some signs in the market we may experience a recovery in the global markets towards the end of September and leading into October. This will be monitored by the investment committee as an ongoing concern.

Portfolio Performance

| | Facet Portfolio Risk 6 | IA Mixed Investment 20-60% Shares | UK Consumer Price Index + 3% |
|------|------------------------|-----------------------------------|------------------------------|
| 1m | -5.51 | -4.48 | N/A |
| 3m | -3.42 | -3.60 | 1.58 |
| 6m | -11.66 | -9.56 | 6.43 |
| 1yr | -21.18 | -10.41 | 12.53 |
| 3yr | 7.84 | -0.23 | 23.68 |
| 5yr | 13.73 | 4.47 | 36.76 |
| 10yr | 67.74 | 42.75 | 71.04 |

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Further information is available from:

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One month CPI not available

****Using Facet Aviva Risk 3 performance pre-1st March 2020, and Facet Model Portfolio Risk 6 post 1st March. This is due to Facet only running risk models 1-4 as opposed to the new 1-10 risk models available now.**

IMPORTANT INFORMATION This document has been produced by FACET Investment Management Limited for information only and represents the views of the investment manager at the time of writing. It should not be construed as Investment Advice. No investment decisions should be made without first seeking advice. The Model Portfolio Risk Level 6 is managed by Facet Investment Management Limited, which is authorised and regulated by the Financial Conduct Authority. Before making an investment, you should ensure that you have read and understood the relevant Key Investor Information documents, for all the underlying funds within the portfolio

Slight deviations in the underlying assets for this portfolio may be required subject to availability of investments on the investment platform you are with. Not all platforms have our preferred investment choices available. In this instance, appropriate substitutions will be made.

WARNINGS The Model Portfolio Risk Level 6 is subject to normal stock market fluctuations and other risks inherent in such investments. The value of your investment and the income derived from it can go down as well as up, and you may not get back all the money that you invested. Investments in overseas equities may be affected by changes in exchange rates, which could cause the value of your client's investment to increase or diminish. You should regard their investment as medium to long term. Past performance is not a guide to future performance. Every effort is taken to ensure the accuracy of this data, but no warranties are given. Some of the funds within the portfolio could in exceptional circumstances be subject to a temporary suspension.

All performance figures are cumulative and do not include external or FACET charges

The models are available on a range of platforms and as such holdings, charges and performance may vary

The ongoing charges figure (OCF) shown is correct as at the date of this factsheet but will vary in future depending on the holdings within the Model. Portfolio Expense - The portfolio expense is calculated using the weighted value of the Ongoing Costs Ex Ante of the portfolio constituents. Where the Ongoing Costs Ex Ante is not available the OCF is used, and where this is not available the TER is used